Emergency Message

Identification Number: **EM-25040**
Intended Audience: All RCs/ARCs/ADs/FOs/TSCs/PSCs/OCO/OCO-CSTs
Originating Office: OMS OFPPI DFPC
Title: **Transition to Only Electronic Benefit Payments for Initial Claims**
Type: EM - Emergency Messages
Program: **Title II (RSI); Title XVI (SSI)**
Link To Reference: **See Reference at the end of this EM.**

Retention Date: February 15, 2026

A. **Purpose**

This message provides instruction to Social Security Administration employees who process initial benefit applications to inform technicians of the immediate policy changes to initial claims processing in GN 02402.001 and GN 02402.005. These updates are based on the existing Federal law, and reinforced by the recently issued Executive Order (EO) 14247, *Modernizing Payments To And From America's Bank Account*, requiring electronic payments. Due to changes in the Department of the Treasury's payment processes, individuals receiving paper checks after September 30, 2025 may experience a disruption in timely payment delivery.

B. **Background**

GN 02402.001 outlines the agency's process with regard to Federal law requiring that all Federal payments be made electronically. Previously, Title II beneficiaries and Title XVI recipients were able to temporarily receive paper benefit checks if they did not have a direct deposit account and chose not to enroll in Direct Express (DE).

On March 25, 2025, the President signed EO 14247, **requiring the Department of Treasury to phase out issuing paper checks for all Federal disbursements no later than September 30,**

2025, in order to promote the financial integrity, security, and operational efficiency of the Federal government. This EO reinforces the existing law 31 USC 3332, which currently mandates electronic payments (GN 02402.001).

C. **Policy Changes**

Effective immediately, the agency will comply with the relevant legal authorities in initial claims by removing references to an option to receive a paper check and directing people who insist on a paper check to apply to Treasury for a waiver.

In compliance with the law and enforced by the recently released EO, the following changes supersede current instructions in GN 02402.001and GN 02402.005 and are effective as of the date of this publication.

1. **Updates to GN 02402.001**

a. Section C bullet 4 is no longer applicable and has been removed. Effective immediately, technicians should no longer offer a temporary paper check option while waiting for Treasury contact regarding enrollment in electronic funds transfer (EFT) .

b. Section C bullet 5 should read:

“As of March 1, 2013, Title II beneficiaries and Title XVI recipients must select a form of electronic payment or if they allege a qualifying exemption, then apply for a waiver. Treasury is responsible for reviewing the request and making a determination. Instruct the individual to contact the U.S. Treasury Electronic Payment Solution Center at **1-800-967-5042**. Currently, SSA cannot accept a waiver application or approve a waiver request. Treasury will contact the individuals directly once they make a determination.”

c. Additionally, field offices are no longer required to maintain a list of financial institutions in their servicing area.

Updates to GN 02402.005 section E are effective as of the date of this publication.

If the applicant	Then
· does **not** have an account, or	· advise the individual of Treasury’s

· refuses a form of electronic payment, and · does not allege one of the exemptions to the electronic payment requirement, listed in GN 02402.001B,	electronic payment requirement, · discuss direct deposit and its advantages, see GN 02402.005H, and · if direct deposit is not a viable option, discuss Direct Express and its advantages, see GN 02402.007.
· does not appear to meet the exemption requirements and still does not agree with the electronic payment requirement	explain the electronic payment requirement again and, state the following: · **we will process their application with the paper check payment method, and** · **explain that in order to continue receiving paper checks, they MUST file for a waiver with Treasury by calling 1-800-967-5042, and** · **Treasury will make a determination and inform them of the decision, and** · **Treasury has advised that if individuals remain on paper checks after September 30, 2025, while the waiver request is pending or if it is not approved, they may experience a disruption in timely payment delivery.** **NOTE** : If an individual inquires about the status of a waiver request, refer them to Treasury's waiver helpline: 1-800-967-5042.

indicates that they meet one of the exemption reasons listed in GN 02402.001B,	explain to the applicant the following: · **we will process their application with the paper check payment method, and** · **explain that in order to continue receiving paper checks, they MUST file for a waiver with Treasury by calling 1-800-967-5042, and** · **Treasury will make a determination and inform them of the decision, and** · **Treasury has advised that if individuals remain on paper checks after September 30, 2025, while the waiver request is pending or if it is not approved, they may experience a disruption in timely payment delivery.** **NOTE:** In representative payee cases, the representative payee must also file for a waiver with Treasury. Additionally, SSA does not make paper check waiver determinations.
asks of consequences for failing to select an electronic payment	explain the following to the applicant: · **Treasury has advised that if individuals remain on paper checks after September 30, 2025, while the waiver request is pending or if it is not approved, they may experience a disruption**

	in timely payment delivery.

D. **Process for Initial Applications**

1. **Scheduling Appointments**

Technicians scheduling appointments for initial claims or referring a claimant to file via Internet Claims (iClaims) must advise the individual of Treasury's electronic payments requirement and that all benefits administered by SSA must be paid via direct deposit or Direct Express. Remind individuals that wish to receive their benefits via direct deposit that they should have their routing and account number available at the time of filing the application.

2. **Phone In-Person Claims Interview**

During the claims taking process, inform the individual that they can file an application but must choose one of the following three options:

REMINDER: Please follow EM-25026 SEN REV 3 and GN 02402.055 for Representative Payees where applicable.

1. Agrees to enroll in direct deposit and provides their RTN and DAN for a valid and existing bank account.
2. Agrees to enroll in DE. Refer to GN 02402.007 for questions regarding DE.
3. Inform the individual that if they do not choose option 1 or 2, that they must file for a waiver with Treasury with an exemption request based on the criteria outlined in GN 02402.001B. If they choose to pursue a waiver,
    a. Direct them to call Treasury at 1-800-967-5042 and explain that in order to continue receiving paper checks, they MUST contact Treasury to file for a waiver.
        i. Notate on the RMKS screen in MCS or the Person Remarks under the Payment Method page for SSI the following statement on all applications before adjudication: "I will contact Treasury to request a waiver to the electronic funds transfer requirement." Ensure the statement appears on the printed application.
    b. Adjudicate the claim with "paper check" as the payment method.

NOTE: These instructions are applicable to applications without a representative payee. Please refer to GN 02402.055 Direct Deposit for Representative Payee Cases.

When a representative payee application is taken for an incapable beneficiary alongside the application for benefits, the representative payee may not be able to establish direct deposit without the notice of their selection. In this instance, process the case to generate the representative payee selection notice and advise the representative payee to establish the bank account and provide us with the direct deposit information as soon as possible

3. iClaims

Follow GN 00204.055P to contact the claimant and resolve the data discrepancy if an iClaim does not contain electronic payment information, attempt phone contact to the applicant and follow the instructions listed under D2 within this EM. If contact is unsuccessful, send the applicant a Come In/Call In letter (SSA-2708) through DPS requesting the individual contact SSA within 30 days to discuss the direct deposit requirement and the waiver process if applicable. If the applicant does not contact, adjudicate the claim and issue benefits via a paper check.

Direct all program and technical related questions to your management.

References

GN 02402.055 - Internet Claim (iClaim) Application
GN 02402.001- Direct Deposit as a Form of Electronic Payment
GN 02402.005 - Direct Deposit Information for All Types of Interviews
GN 02402.007- Direct Express Debit Card Program
GN 02402.055 - Direct Express for Representative Payee Cases